

## Message Text

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SUBJ: COMMENTS ON MAJOR CHANGES IN FAO SINCE ITS INCEPTION

REF : STATE 105978

1. THE OFFICE FOR FAO AFFAIRS APPRECIATES THE DEPARTMENT'S FOCUSING OF ITS REQUEST FOR COMMENT ON MAJOR CHANGES IN FAO. THESE HISTORICAL CONSIDERATIONS ARE HIGHLY IMPORTANT, AND WE AS WELL AS OTHERS HAVE NOT INQUIRED INTO THEM SUFFICIENTLY, UNDER THE CRUSHING PRESSURE OF IMMEDIATE DEMANDS, TO PARAPHRASE FORMER SECRETARY RUSK. HISTORICAL PERSPECTIVE IS HIGHLY USEFUL, BUT RELEVANT SECONDARY SOURCES ARE LIMITED, AS NOTED BELOW, AND THERE IS NOT TIME FOR ADEQUATE RESEARCH IN PRIMARY SOURCES OR IN-DEPTH INTERVIEWING. THE OFFICERS IN THE OFFICE OF FAO AFFAIRS HAVE DONE THEIR BEST TO MAKE SIGNIFICANT COMMENTS, AIDED BY AMBASSADOR GARDNER, WHO HAS HAD MORE LENGTHY EXPERIENCE WITH FAO ACTIVITIES.

2. A NOTE ABOUT HISTORICAL MATERIALS, WHICH ARE NECESSARY TO FORMULATE COMMENTS ON THE MAJOR CHANGES. THE DAVID LUBIN MEMORIAL LIBRARY, AS BEFORE IN RESPONSE TO RESEARCH QUERIES, HAS CITED ONLY TWO IMPORTANT HISTORICAL WORKS ON FAO: A) GOVE HAMBIDGE (NORTH AMERICAN REGIONAL REPRESENTATIVE OF FAO), UNCLASSIFIED

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/THE STORY OF FAO/, NEW YORK, D. VAN NOSTRAND CO., INC. 1955, AND B) JOSEPH MARION JONES (FLETCHER SCHOOL), /THE UNITED NATIONS AT WORK/, NEW YORK, PERGAMON PRESS, 1965. OUR AID DEVELOPMENT OFFICER, VICTOR SKILES, RECALLS READING IN 1974 IN WASHINGTON AN EXCELLENT HISTORIC ANALYSIS OF CHANGES IN OBJECTIVES AND POLICIES OF FAO WRITTEN BY DR. RALPH PHILLIPS OF THE DEPARTMENT OF AGRICULTURE. WE HAVE TALKED WITH PUBLIC INFORMATION AND OTHER

OFFICES AND FIND NO PARALLEL DOCUMENTS HERE. WE OFFER OUR OWN BEST COMMENTS BASED ON THE LIMITED HISTORIES AVAILABLE, AND OUR OWN PERCEPTIONS.

3. A FIRST KEY COMMENT IS THAT THERE HAS ALWAYS BEEN A FUNDAMENTAL DISAGREEMENT ABOUT FAO'S ROLE. HAMBIDGE SAYS THAT THERE HAVE BEEN TWO BASIC VIEWS OF FAO'S ROLE: A) ONE FAVORING "POSITIVE STEPS TO FOSTER ECONOMIC EXPANSION AND PREVENTION OF DISASTERS" AND B) THE OTHER FAVORING "FACT GATHERING AND ADVISORY ACTIVITIES". F.H. MCDUGALL OF AUSTRALIA, AN ASSOCIATE OF JOHN BOYD ORR OF THE UNITED KINGDOM AND STANLEY BRUCE OF AUSTRALIA, WROTE AN ARTICLE IN THE ANNALS OF THE AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE IN LATE 1942 (SIC., NO EXACT CITATION), ADVOCATING AN INTERNATIONAL WHEAT AGREEMENT, AND IN THE HOT SPRINGS CONFERENCE OF 1943 THERE WAS A CONFLICT OF VIEWS BETWEEN PRODUCERS FAVORING MAINTAINING ADEQUATE PRICES AND CONSUMERS FAVORING FOOD RESERVE STOCKS TO KEEP PRICES DOWN. LORD ORR, AS DIRECTOR-GENERAL OF FAO, ADVOCATED UNSUCCESSFULLY A WORLD FOOD BOARD THAT WOULD HOLD FOOD RESERVES AND DIRECT FOOD SUPPLIES. THIS WAS LATER GREATLY MODIFIED TO ESTABLISH A CONSULTATIVE COMMITTEE ON SURPLUS DISPOSAL. WE BELIEVE THESE FUNDAMENTAL ISSUES HAVE CONTINUED WITHIN FAO, MODIFIED OF COURSE BY CHANGES IN THE WORLD FOOD SITUATION. FAO POLICIES ON THESE ISSUES HAVE BEEN GREATLY AFFECTED BY THE POLICIES OF THE INDIVIDUAL DIRECTORS-GENERAL, INFLUENCED BY THEIR OWN ACADEMIC AND PROFESSIONAL DISCIPLINES. IT IS OUR IMPRESSION THAT AMERICAN DIRECTORS-GENERAL NORRIS DODD AND P.V. CARDON (SEE JONES' HISTORY) AND AMERICAN POLICY IN GENERAL HAVE STRESSED TECHNICAL FUNCTIONS BY FAO AND RESISTED RESERVE PLANS. RECENTLY, DIRECTOR-GENERAL

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BOERMA, AN ECONOMIST, FAVORED FOOD RESERVE SYSTEMS AND BUILT UP HEADQUARTERS STAFF EXPERTISE. DIRECTOR-GENERAL SACUMA, AN AGRICULTURAL TECHNICIAN, STRESSES TECHNICAL ASSISTANCE PROJECTS IN THE FIELD.

4. A SIMILAR CONTROVERSY HAS SURROUNDED FAO'S ATTEMPTS TO ASSIST SPECIFIC AGRICULTURAL COMMODITIES, JUTE, RICE, HARD FIBERS, BANANAS, WHEAT, OIL SEEDS, ETC. MOST OF THESE FAO-SPONSORED INTERGOVERNMENTAL GROUPS WERE STARTED ABOUT 10 YEARS GO TO POOL INFORMATION ON PRODUCTION AND DEMAND IN ORDER TO EASE PRICE FLUCTUATIONS. THE FAO SECRETARIAT TRIED TO MOVE THESE GROUPS INTO PREPARING COMMODITY AGREEMENTS. THE U.S. OPPOSED THIS ROLE OF THE FAO UNTIL UNCTAD IV, WHEN THE FAO'S MORE ECONOMIC, EXPERT APPROACH LOOKED PREFERABLE IN THE UNCTAD POLITICAL APPROACH. HOWEVER, THE NEW DIRECTOR-GENERAL, SAOUMA, HAS NOT ALLOWED THE FAO TO COMPETE WITH UNCTAD BUT IS IN EFFECT SERVICING THE UNCTAD AGRICULTURAL COMMODITY PROGRAM.

5. A SECOND OBVIOUS COMMENT, APPLICABLE TO OTHER ORGANIZATIONS

AS WELL, RELATES TO THE ENORMOUS EXPANSION OF MEMBERSHIP AND BUDGET. MEMBER COUNTRIES HAVE INCREASED FROM 44 IN 1945 TO 136 IN 1975, MOST OF THEM FORMER COLONIES WITH SERIOUS PROBLEMS IN THE FIELD OF FOOD AND AGRICULTURE.

6. THE REGULAR BUDGET OF FAO FOR THE FIRST 10 YEARS WAS FIXED AT A LEVEL OF \$5 MILLION ANNUALLY. THIS EXPANDED GRADUALLY THEREAFTER, BUT INCREASED SHARPLY DURING THE ADMINISTRATIONS OF DIRECTORS-GENERAL SEN AND BOERMA, REACHING \$107 MILLION FOR THE 1974-75 BIENNIUM. FOR THE 1976-77 BIENNIUM IT WAS RAISED TO \$167 MILLION. THESE FIGURES OF COURSE ARE FOR THE REGULAR BUDGET OF FAO, VOTED BY THE MEMBER STATES.

7. THIS LEADS TO THE QUESTIONS OF FAO'S TECHNICAL ASSISTANCE ROLE, AND OF THE FUNDING OF THAT ROLE, WHICH HAS LARGELY BEEN BY OTHER INTERNATIONAL ORGANIZATIONS, OR INDIVIDUAL COUNTRY UNCLASSIFIED

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TRUST FUNDS. TECHNICAL ASSISTANCE WAS ALWAYS A KEY ROLE OF FAO, ASSERTED PARTICULARLY BY PRESIDENT TRUMAN IN HIS ADDRESS TO THE FOURTH FAO CONFERENCE IN 1948, BUT IN THE EARLY YEARS THE BUDGET LIMITED THIS FUNCTION TO TECHNICAL STUDIES, COLLECTING AND DISSEMINATING STATISTICS AND CONVENING CONFERENCES AND TECHNICAL COMMISSIONS IN THE HEADQUARTERS. FAO DID SEND SOME FIELD MISSIONS OF ITS OWN. THE FIELD PROJECT TECHNICAL ASSISTANCE CAME MAINLY, HOWEVER, AS OUTSIDE FINANCING WAS PROVIDED. IN THE LATE 40'S UNRRA FUNDS FINANCED FAO PROJECTS IN NINE COUNTRIES. IN THE 1960'S FUNDS CAME FROM EPTA. IN THE 1960'S UNDP BECAME THE MAJOR SOURCE AND GREATLY ENLARGED FAO'S ACTIVITIES. MORE RECENTLY, HOWEVER, TRUST FUNDS BY INDIVIDUAL COUNTRIES HAVE BECOME A MAJOR SOURCE OF FIELD PROJECT FUNDS. AN FAO TECHNICAL COOPERATION PROGRAM OF \$18.5 MILLION WITHIN THE REGULAR FAO BUDGET WAS APPROVED IN 1976.

8. OUR COMMENTS WOULD NOT BE COMPLETE WITHOUT REFERRING TO THE IMPLICATIONS OF THE WORLD FOOD CONFERENCE OF 1974. CONGRESSIONAL STUDIES HAVE ALREADY COVERED THOROUGHLY THE FOLLOW-UP TO THAT CONFERENCE, AND CONTINUING UNCERTAINTIES ABOUT THE FUTURE COURSE OF DEVELOPMENTS.

9. THE WORLD FOOD CONFERENCE HAS GREATLY INCREASED THE COMPLEXITY OF FOOD-ASSISTANCE ACTIVITIES. THE FAO USED TO BE THE SOLE WORLD-WIDE AGENCY IN THE FOOD AREA. IT WAS THE FIRST SPECIALIZED UN AGENCY, THE LARGEST, AND QUITE INDEPENDENTLY DOING ITS THING. ABOUT 10 YEARS AGO THE WORLD FOOD PROGRAM WAS ADDED ON TO THE FAO, BUT THE UNGA AND ECOSOC KEPT SOME INFLUENCE. THE WORLD FOOD CRISIS OF 1973 AND WORLD FOOD CONFERENCE FOCUSED ATTENTION ON AGRICULTURE AND THE FAO. BOTH WERE JUDGED TO NEED IMMEDIATE IMPROVEMENT AND A PROLIFERATION OF AGRICULTURAL GROUPS HAVE

BEEN CREATED -- THE WORLD FOOD COUNCIL, THE INTERNATIONAL FUND  
FOR AGRICULTURAL DEVELOPMENT, CONSULTATIVE GROUP ON FOOD PRODUCTION  
AND INVESTMENT IN DEVELOPING COUNTRIES AND COMMITTEE ON FOOD  
AID POLICIES.

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10. THUS, THE FAO HAS COMPETITION FOR THE FIRST TIME AND IS  
ALSO OPERATING MORE UNDER THE PUBLIC EYE. THIS MAKES ISSUES  
HARDER TO COVER AND TENDS TO INCREASE THE POLITICAL TONE OF FAO  
DEBATES.GARDNER

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